

**Table T11-0181**  
**Distribution of Tax Units that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012 <sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non<br>Paying Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 23,654   | 14.3                             | 23,563   | 30.8   | 99.6  |
| 10-20  | 28,341   | 17.2                             | 23,071   | 30.1   | 81.4  |
| 20-30  | 20,820   | 12.6                             | 12,998   | 17.0   | 62.4  |
| 30-40  | 17,491   | 10.6                             | 7,377  | 9.6  | 42.2  |
| 40-50  | 13,844   | 8.4                              | 4,275  | 5.6  | 30.9  |
| 50-75  | 20,187   | 12.2                             | 3,077  | 4.0  | 15.2  |
| 75-100   | 13,838   | 8.4                              | 741  | 1.0  | 5.4   |
| 100-200  | 18,707   | 11.3                             | 398  | 0.5  | 2.1   |
| 200-500  | 5,808  | 3.5                              | 92   | 0.1  | 1.6   |
| 500-1,000  | 1,003  | 0.6                              | 19   | 0.0  | 1.9   |
| More than 1,000  | 503  | 0.3                              | 5  | 0.0  | 1.1   |
| All  | 165,201  | 100.0                            | 76,608   | 100.0  | 46.4  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

|                     | Percentile of Income Tax Liability Distribution |        |      |      |      |
|---------------------|---|--------|------|------|------|
|                     | 10th  | 25th   | 50th | 75th | 90th |
| Liability (\$ 2011) | -4,089  | -1,458 | 0    | 0    | 0    |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

a) adjust the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

**Table T11-0181**  
**Distribution of Single Tax Units that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012 <sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non<br>Paying Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 18,677   | 23.2                             | 18,617   | 44.3   | 99.7  |
| 10-20  | 19,704   | 24.4                             | 14,834   | 35.3   | 75.3  |
| 20-30  | 12,248   | 15.2                             | 5,728  | 13.6   | 46.8  |
| 30-40  | 9,316  | 11.6                             | 1,469  | 3.5  | 15.8  |
| 40-50  | 6,007  | 7.5                              | 321  | 0.8  | 5.3   |
| 50-75  | 7,366  | 9.1                              | 292  | 0.7  | 4.0   |
| 75-100   | 3,136  | 3.9                              | 84   | 0.2  | 2.7   |
| 100-200  | 2,656  | 3.3                              | 74   | 0.2  | 2.8   |
| 200-500  | 714  | 0.9                              | 15   | 0.0  | 2.1   |
| 500-1,000  | 138  | 0.2                              | 3  | 0.0  | 2.1   |
| More than 1,000  | 67   | 0.1                              | 1  | 0.0  | 1.3   |
| All  | 80,620   | 100.0                            | 42,020   | 100.0  | 52.1  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

| Liability (\$ 2011) | Percentile of Income Tax Liability Distribution |      |      |      |      |
|---------------------|---|------|------|------|------|
|                     | 10th  | 25th | 50th | 75th | 90th |
|                     | -465  | 0    | 0    | 0    | 0    |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

a) extend the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets."Non-paying tax units" are those with individual income tax liability of \$5 or less and file as single.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

**Table T11-0181**  
**Distribution of Married Filing Jointly Tax Units that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012<sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non Paying<br>Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 1,412  | 2.5                              | 1,398  | 8.5  | 99.0  |
| 10-20  | 2,711  | 4.7                              | 2,655  | 16.2   | 97.9  |
| 20-30  | 3,358  | 5.9                              | 2,829  | 17.2   | 84.3  |
| 30-40  | 3,936  | 6.9                              | 3,010  | 18.3   | 76.5  |
| 40-50  | 4,904  | 8.6                              | 2,963  | 18.1   | 60.4  |
| 50-75  | 9,775  | 17.1                             | 2,279  | 13.9   | 23.3  |
| 75-100   | 9,326  | 16.3                             | 583  | 3.6  | 6.2   |
| 100-200  | 15,280   | 26.7                             | 287  | 1.7  | 1.9   |
| 200-500  | 4,920  | 8.6                              | 73   | 0.4  | 1.5   |
| 500-1,000  | 831  | 1.5                              | 15   | 0.1  | 1.8   |
| More than 1,000  | 416  | 0.7                              | 4  | 0.0  | 1.0   |
| All  | 57,183   | 100.0                            | 16,407   | 100.0  | 28.7  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

| Liability (\$ 2011) | Percentile of Income Tax Liability Distribution |        |      |      |      |
|---------------------|---|--------|------|------|------|
|                     | 10th  | 25th   | 50th | 75th | 90th |
|                     | -6,017  | -3,269 | -465 | 0    | 0    |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those married individuals with income tax liability of \$5 or less and file as a joint return.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

**Table T11-0181**  
**Distribution of Head of Household Tax Units that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012<sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non Paying<br>Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 3,397  | 13.7                             | 3,384  | 19.2   | 99.6  |
| 10-20  | 5,620  | 22.6                             | 5,468  | 31.0   | 97.3  |
| 20-30  | 4,820  | 19.4                             | 4,363  | 24.7   | 90.5  |
| 30-40  | 3,780  | 15.2                             | 2,855  | 16.2   | 75.5  |
| 40-50  | 2,556  | 10.3                             | 945  | 5.4  | 37.0  |
| 50-75  | 2,617  | 10.5                             | 473  | 2.7  | 18.1  |
| 75-100   | 1,162  | 4.7                              | 62   | 0.3  | 5.3   |
| 100-200  | 643  | 2.6                              | 25   | 0.1  | 3.9   |
| 200-500  | 131  | 0.5                              | 1  | 0.0  | 0.5   |
| 500-1,000  | 24   | 0.1                              | 2  | 0.0  | 7.0   |
| More than 1,000  | 10   | 0.0                              | 0  | 0.0  | 1.0   |
| All  | 24,826   | 100.0                            | 17,643   | 100.0  | 71.1  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

| Liability (\$ 2011) | Percentile of Income Tax Liability Distribution |        |        |      |      |
|---------------------|---|--------|--------|------|------|
|                     | 10th  | 25th   | 50th   | 75th | 90th |
|                     | -6,156  | -4,089 | -2,670 | -699 | 0    |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and file as head of household.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

**Table T11-0181**  
**Distribution of Married Filing Separately Tax Units that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012<sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non Paying<br>Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 167  | 6.5                              | 163  | 30.3   | 97.6  |
| 10-20  | 305  | 11.9                             | 113  | 21.0   | 37.2  |
| 20-30  | 396  | 15.4                             | 78   | 14.6   | 19.8  |
| 30-40  | 458  | 17.8                             | 43   | 8.1  | 9.5   |
| 40-50  | 378  | 14.7                             | 46   | 8.5  | 12.1  |
| 50-75  | 428  | 16.7                             | 34   | 6.3  | 7.9   |
| 75-100   | 215  | 8.3                              | 13   | 2.4  | 5.9   |
| 100-200  | 129  | 5.0                              | 12   | 2.3  | 9.5   |
| 200-500  | 43   | 1.7                              | 3  | 0.6  | 7.2   |
| 500-1,000  | 11   | 0.4                              | 0  | 0.0  | 0.8   |
| More than 1,000  | 10   | 0.4                              | 0  | 0.1  | 3.0   |
| All  | 2,571  | 100.0                            | 538  | 100.0  | 20.9  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

| Liability (\$ 2011) | Percentile of Income Tax Liability Distribution |      |      |      |      |
|---------------------|---|------|------|------|------|
|                     | 10th  | 25th | 50th | 75th | 90th |
|                     | -1,337  | -335 | 0    | 0    | 0    |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those married individuals with income tax liability of \$5 or less that file separately.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

**Table T11-0181**  
**Distribution of Elderly Tax Units that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012<sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non Paying<br>Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 3,154  | 8.7                              | 3,154  | 15.6   | 100.0   |
| 10-20  | 8,698  | 23.9                             | 8,655  | 42.8   | 99.5  |
| 20-30  | 4,924  | 13.6                             | 4,388  | 21.7   | 89.1  |
| 30-40  | 3,727  | 10.3                             | 1,718  | 8.5  | 46.1  |
| 40-50  | 2,930  | 8.1                              | 1,309  | 6.5  | 44.7  |
| 50-75  | 4,733  | 13.0                             | 728  | 3.6  | 15.4  |
| 75-100   | 2,996  | 8.2                              | 134  | 0.7  | 4.5   |
| 100-200  | 3,598  | 9.9                              | 88   | 0.4  | 2.4   |
| 200-500  | 1,179  | 3.2                              | 22   | 0.1  | 1.8   |
| 500-1,000  | 229  | 0.6                              | 6  | 0.0  | 2.8   |
| More than 1,000  | 122  | 0.3                              | 1  | 0.0  | 0.6   |
| All  | 36,319   | 100.0                            | 20,229   | 100.0  | 55.7  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

| Liability (\$ 2011) | Percentile of Income Tax Liability Distribution |      |      |      |      |
|---------------------|---|------|------|------|------|
|                     | 10th  | 25th | 50th | 75th | 90th |
|                     | 0   | 0    | 0    | 0    | 0    |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and at least the primary of secondary taxpayer is 65 years old.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

**Table T11-0181**  
**Distribution of Tax Units with Children that Pay No Individual Income Tax**  
**by Cash Income Level, Administration's FY2012 Budget, 2012<sup>1</sup>**

| Cash Income Level<br>(thousands of<br>2011 dollars) <sup>2</sup> | Number of Tax<br>Units<br>(thousands) <sup>3</sup> | Percentage of<br>Total Tax Units | Number of Non<br>Paying Tax Units<br>(thousands) | Percentage of<br>Total Non Paying<br>Tax Units | Percentage of<br>Non Paying Tax<br>Units in Class |
|--|--|----------------------------------|--|--|---|
| Less than 10   | 3,846  | 7.9                              | 3,839  | 15.3   | 99.8  |
| 10-20  | 5,948  | 12.2                             | 5,930  | 23.6   | 99.7  |
| 20-30  | 5,713  | 11.7                             | 5,614  | 22.3   | 98.3  |
| 30-40  | 5,081  | 10.4                             | 4,435  | 17.6   | 87.3  |
| 40-50  | 4,169  | 8.6                              | 2,496  | 9.9  | 59.9  |
| 50-75  | 6,587  | 13.5                             | 1,955  | 7.8  | 29.7  |
| 75-100   | 5,463  | 11.2                             | 492  | 2.0  | 9.0   |
| 100-200  | 8,400  | 17.2                             | 187  | 0.7  | 2.2   |
| 200-500  | 2,702  | 5.5                              | 35   | 0.1  | 1.3   |
| 500-1,000  | 430  | 0.9                              | 7  | 0.0  | 1.7   |
| More than 1,000  | 199  | 0.4                              | 1  | 0.0  | 0.7   |
| All  | 48,707   | 100.0                            | 25,160   | 100.0  | 51.7  |

**Addendum****Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

| Liability (\$ 2011) | Percentile of Income Tax Liability Distribution |        |        |        |      |
|---------------------|---|--------|--------|--------|------|
|                     | 10th  | 25th   | 50th   | 75th   | 90th |
|                     | -6,688  | -4,687 | -3,110 | -1,427 | -205 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and has at least one home or away dependent exemption.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.